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Copy of attached sent to Richard Kaufman, JEC,
on 22 Feb 85 afternoon courier run.

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FOR IMMEDIATE RELEASE

22 February 1985

CIA ANALYSIS SHOWS SOVIET DEFENSE SPENDING EXCEEDS THAT OF U.S.

The Joint Economic Committee on 21 February released CIA testimony of last November on the Soviet economy. The testimony was not on Soviet military capabilities. Because the information released by the Committee presents a narrow view of Soviet military growth, the Central Intelligence Agency wishes to emphasize the broader context of its testimony and to convey a more balanced--though still partial--picture of the Soviet military buildup.

As CIA noted publicly in November 1983, the cost of defense activities has exceeded that of the United States by a large margin, despite a decline in the rate of growth. The dollar cost of Soviet defense activities in 1981--in the middle of this period of decline--was some 45 percent greater than for the U.S.; procurement costs alone were some 45 percent larger. While this margin has narrowed with the growth in U.S. defense spending, the Soviets still outspend the U.S. overall and in important specific categories by substantial margins. CIA also stressed in last November's testimony evidence of an upturn in Soviet defense spending in 1983.

CIA has repeatedly emphasized that trends in Soviet military spending are not a sufficient basis upon which to form judgments about Soviet capabilities. The rate of increase in spending estimates does not give an appreciation of the large stocks of strategic and conventional weapon systems deployed by the Soviets during the past decade.

As the testimony states, current Soviet levels of spending are so high that despite the procurement plateau, Soviet forces received in the years 1977 through 1983 a total of 1,100 ICBMs, more than 700 SLBMs, 300 bombers, 5,000 fighters, some 15,000 new tanks, and substantial numbers of new additional major surface combatants, nuclear powered ballistic missile submarines, and attack submarines. During the same period, the U.S. added to its inventory 135 ICBMs, 390 SLBMs, no bombers, 3,000 fighters, 5,000 tanks, and 106 major warships. The attached charts illustrate the extent to which Soviet military costs, equipment deliveries and military manpower exceed those of the U.S.

Soviet efforts to develop advanced weapon systems continue in the 1980s at least at the rapid pace of the previous two decades. Among these weapons are fighter and airborne control aircraft, ballistic and cruise missiles, space systems and submarines. The new systems cover the full range of technologically advanced weaponry the Soviets will need to modernize all their forces.

--end--

FIGURE 1

USSR STRATEGIC EQUIPMENT DELIVERIES AS A PERCENT OF US DELIVERIES
1974-1983

21 FEB 1985

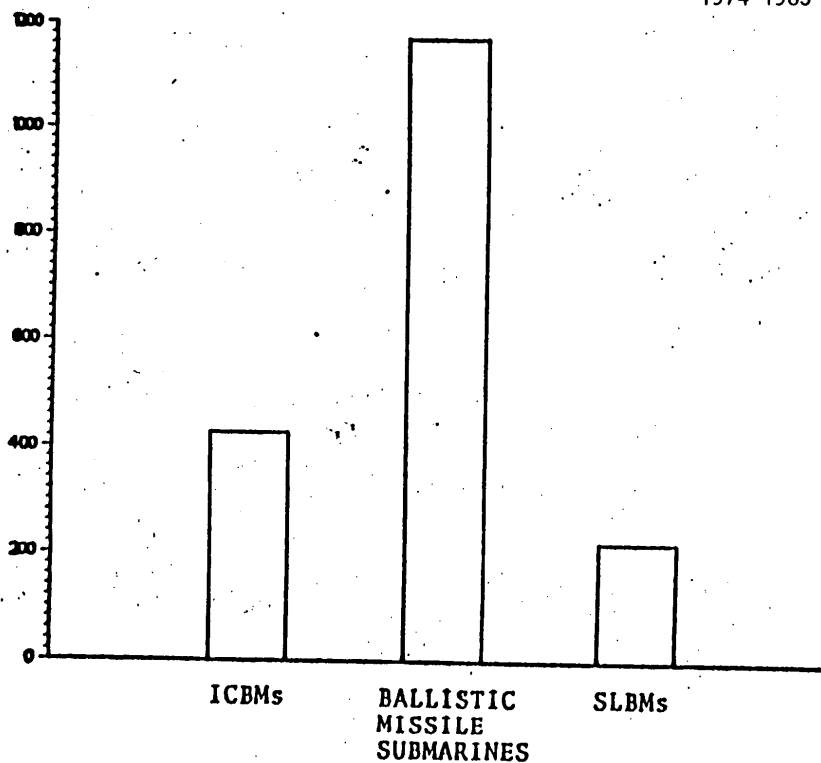


FIGURE 2

USSR GENERAL PURPOSE EQUIPMENT DELIVERIES AS A PERCENT OF US DELIVERIES 21 FEB 1985

1974-1983

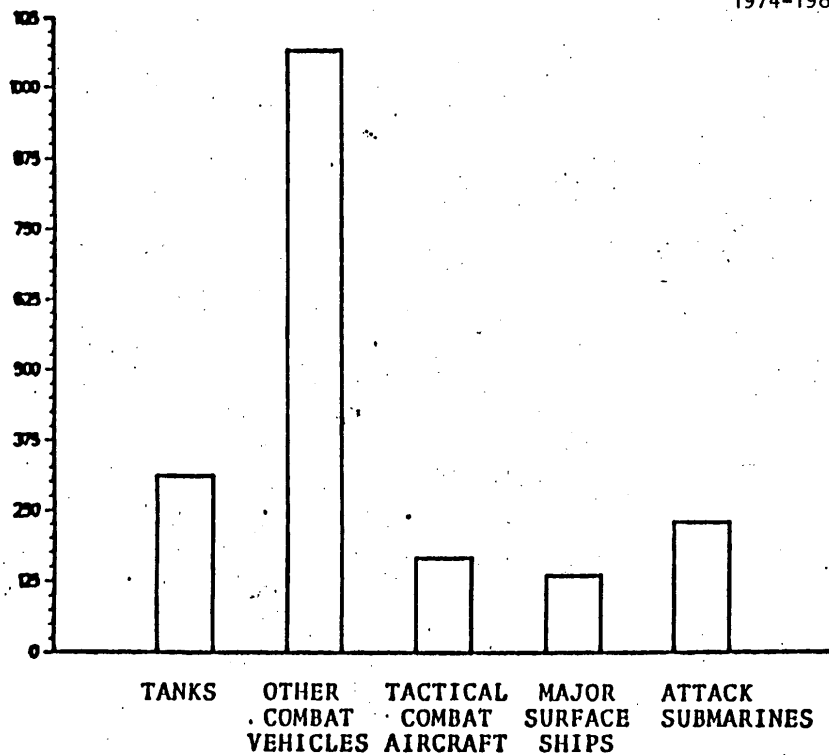


FIGURE 3

COMPARISON OF US AND SOVIET MILITARY MANPOWER, 1974 AND 1983

21 FEB 1985

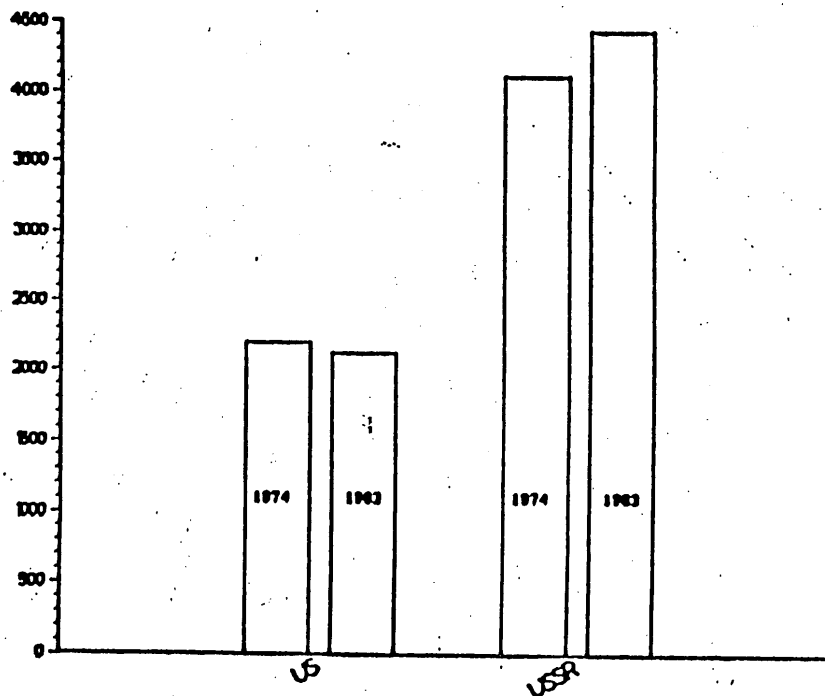
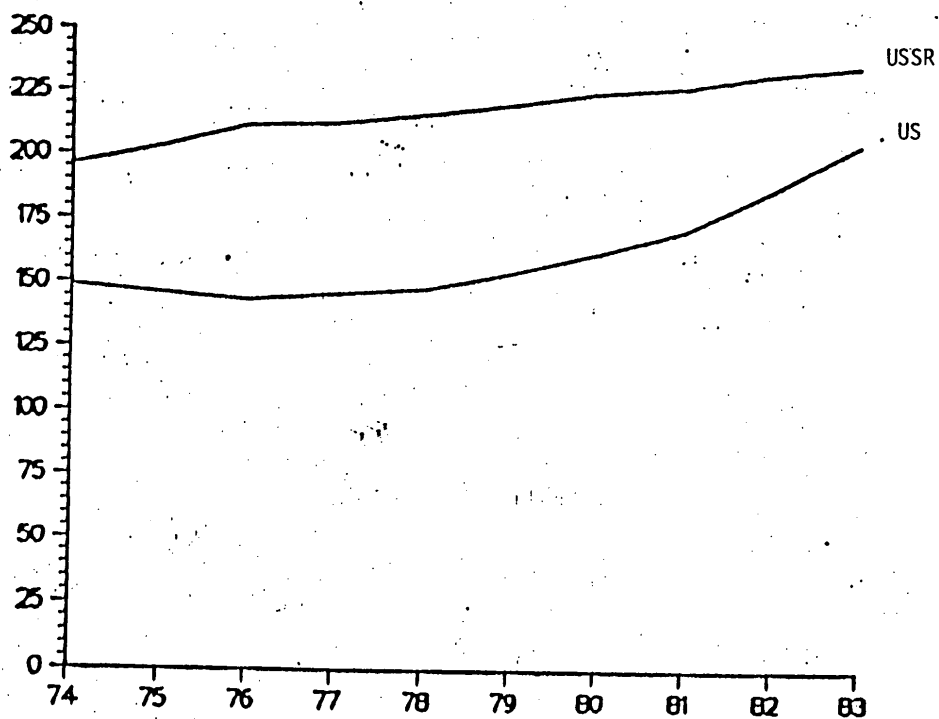


FIGURE 4

US AND SOVIET MILITARY COSTS, BILLIONS OF 1983 DOLLARS

21 FEB 1983

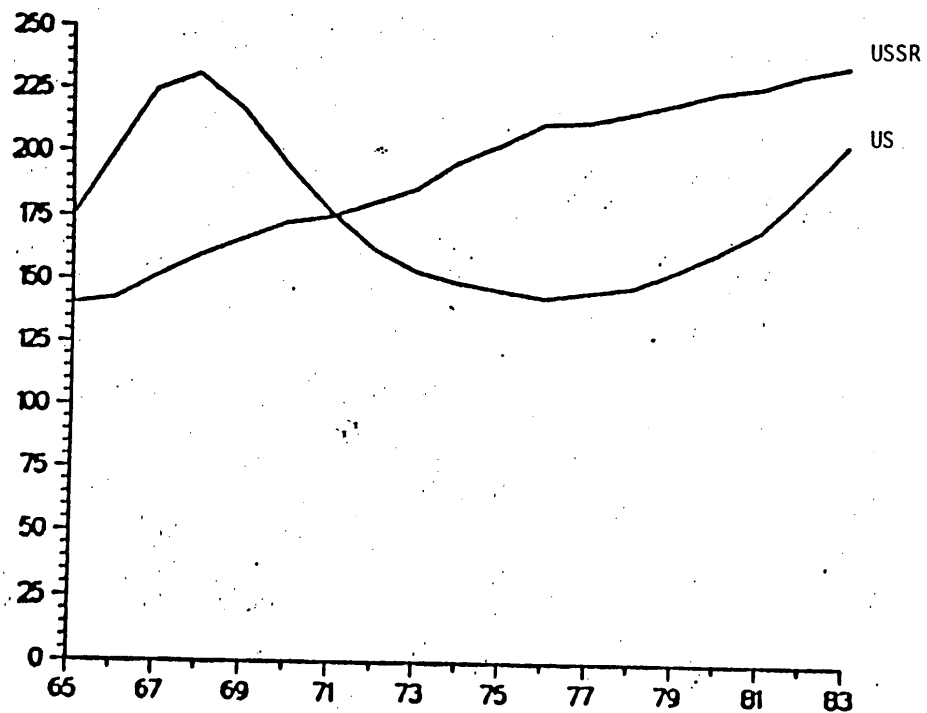


US [] 1605 Billion Dollars
USSR [] 2174 Billion Dollars
Cumulative Costs

FIGURE 5

US AND SOVIET MILITARY COSTS, BILLIONS OF 1983 DOLLARS

21 FEB 1985



US	3339 Billion Dollars
USSR	3647 Billion Dollars

Cumulative Costs